

**SEVERANCE BENEFITS**  
Department of Human Resource Management Policy 1.57

**Chart of Benefits**

Benefit Type	Effect of Severance Benefit on Other Benefits
Group Life Insurance	<ul style="list-style-type: none"> <li>• Employer continues insurance premium for 12 months for employees receiving severance payments.</li> <li>• Employees on LTD-Working or on LTD that transitioned from STD while on LWOP-Layoff continue to be covered by group life insurance if they receive severance payments.</li> </ul>
Healthcare	<ul style="list-style-type: none"> <li>• Employer paid premium continues for 12 months for full-time employees receiving severance payments.</li> <li>• Full-time employees who are on LTD-Working or who transitioned from STD to LTD while on LWOP-Layoff and are receiving severance benefits continue to be covered by the active group health insurance with employer-paid premiums.</li> </ul>
Holidays	<ul style="list-style-type: none"> <li>• Severance Benefits are paid based on weekly salary whether or not holidays occur.</li> </ul>
Optional Life Insurance	<ul style="list-style-type: none"> <li>• Employees may convert to an individual policy upon separation.</li> <li>• Employees choosing enhanced retirement may continue a portion of optional life insurance coverage. See Virginia Retirement System for details..</li> </ul>
Retirement Service Credit	<ul style="list-style-type: none"> <li>• No retirement service credit is received while on LWOP-Layoff.</li> <li>• Exception: Employees receiving VSDP benefits <u>and</u> severance payments will receive retirement service credit while receiving VSDP benefits. Retirement contributions continue during STD.</li> <li>• Pre-tax purchase of prior service ends when severance benefits begin.</li> <li>• Eligible employees may apply the severance benefit to obtain an enhanced retirement benefit.</li> </ul>
Service Credit for Leave and/or VSDP	<ul style="list-style-type: none"> <li>• Time counts towards service for annual, sick, and family and personal leave.</li> </ul>
Unemployment Compensation	<ul style="list-style-type: none"> <li>• Employees may receive unemployment compensation (UC), but severance payments are reduced by the amount of any UC payments.</li> <li>• Amount deducted from severance payments for UC shall be paid in a lump sum at the end of severance payments.</li> <li>• Contact the Virginia Employment Commission for details.</li> </ul>
VSDP Short-term Disability and LTD-Working	<ul style="list-style-type: none"> <li>• Severance payments offset VSDP benefits.</li> <li>• If an employee is still disabled at the end of severance, VSDP benefits continue.</li> <li>• Employees who move from STD or LTD-Working to LTD continue to receive severance benefits until the end of LWOP-Layoff.</li> <li>• Agencies must report to CORE severance payments received by employees on LTD-Working.</li> <li>• Time on LWOP-Layoff counts toward 180-day waiting period for LTD.</li> <li>• Employees in LTD-Working immediately move into LTD when placed on LWOP-Layoff.</li> </ul>
VSDP Long-term Disability	<ul style="list-style-type: none"> <li>• Employees on LTD when layoff occurs are not eligible.</li> </ul>
Workers' Compensation	<ul style="list-style-type: none"> <li>• Eligible employees receive severance and WC payments.</li> <li>• Agency supplement for employees not covered by VSDP stops while employee receives severance benefits.</li> <li>• VSDP benefits for eligible employees are offset by severance payments.</li> </ul>